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# PROPAGANDA INVESTIGATION

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## HEARINGS

BEFORE

## THE COMMITTEE ON RULES

*115* HOUSE OF REPRESENTATIVES

SIXTY-FOURTH CONGRESS

FIRST SESSION

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JANUARY 19, 1916



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# PEACE PROPAGANDA INVESTIGATION.

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COMMITTEE ON RULES,  
HOUSE OF REPRESENTATIVES.

*Wednesday, January 19, 1916.*

The committee met at 11 o'clock a. m.

Present: Representatives Henry (chairman), Garrett, Lenroot, Foster, Bennet, Chipfield, and Patten.

Present also: Hon. Augustus P. Gardner, Member of Congress from Massachusetts; Hon. Clyde H. Tavenner, Member of Congress from Illinois; and Hon. Walter I. Hensley, Member of Congress from Missouri.

The committee thereupon proceeded to the consideration of House resolution No. 7, which is as follows:

*Resolved*, That the Speaker appoint a select committee of five members of the House, and that such committee be instructed to inquire into the organization, membership, expenditures, receipts, and sources thereof of the Navy League, Labor's National Peace Council, the National Security League, and the American Defense Society, and for such purposes it shall have power to send for persons and papers and administer oaths, and shall have the right to report at any time. The expenses of said inquiry shall be paid out of the contingent fund of the House upon vouchers approved by the chairman of said committee, to be immediately available.

The CHAIRMAN. Mr. Gardner, the committee will hear you on your resolution, No. 7.

## STATEMENT OF HON. AUGUSTUS P. GARDNER, MEMBER OF CONGRESS FROM MASSACHUSETTS.

Mr. GARDNER. Mr. Chairman, as I wrote to the various members of the committee, I believe that my resolution ought to be extended in its scope, unless you wish to cut out the investigations of the Labor's National Peace Council for international reasons; and I think probably you ought to add, as an association to be investigated, the "Organization of American Women for Strict Neutrality."

I am very well satisfied with Mr. Hensley's resolution, which he introduced a month after mine, with this exception, that he only proposes to investigate organizations——

(At this point Mr. Hensley reached the committee room.)

Mr. GARDNER. I was just speaking and saying that I was very well satisfied with your resolution, which you introduced a month after mine, with this exception, that you only propose to investigate organizations, and, I think, Mr. Chairman, you ought to investigate individuals who have been active in this propaganda.

I did not take these statements very seriously about this movement being backed by the makers of munitions of war at first. I no-



ticed that some Members of Congress got together somewhere and sent some resolutions to the Committee on Military Affairs last year, in which they charged that that was the case.

Then, on December 3, 1914, I picked up the New York World and found a clear implication in it that I was engaged in this movement for pocketbook reasons, pocketbook jingoism, and partisan politics. Even that did not trouble me very much, but on the 7th of December, 1914, I found in the St. Louis Post-Dispatch an editorial entitled "Mr. Gardner's suspicious crusade," in which the clear implication was made that I was dishonest in my purposes.

And even that did not bother me, until on December 9, 1914, I found this dispatch in the New York Herald, under the heading, "President to smother Gardner resolution at any cost."

I will read the first part of it.

President Wilson is prepared to go great length to smother the resolution of Representative Augustus P. Gardner, of Massachusetts, for a congressional investigation of the preparedness of the United States for war. He even hinted—

That is, the President hinted—

to-day that the agitation for increased armament is being backed by manufacturers of arms and ammunition. This attitude is not likely to calm the advocates of an inquiry.

So I sent that clipping to the President and asked him whether it was so that he had made that statement. He did not answer me, but Mr. Tumulty answered me, and said that he was present at that meeting, and that he recollected no such remarks. Exactly what I expected—I did not suppose for a moment that the President had ever made any such observation.

The CHAIRMAN. What was the date of that last clipping you read?

Mr. GARDNER. December 9, 1914.

Mr. PATTEN. 1914?

Mr. GARDNER. Yes; when this movement first started.

Mr. Tumulty wrote to me and said that he was present at the meeting and there was no such statement made, or something to that effect. It was precisely as I thought. I did not suppose for a moment that the President had made the statement. And I kept hoping that I would see a public denial, but no public denial came, and so I have not been surprised at the spread of this belief—that we were actuated by improper motives.

Mr. GARRETT. May I ask, do you think that there was any occasion for a public denial?

Mr. GARDNER. I should have made one if I had been President—where a Member of Congress had written to him asking if the thing was so. In the first place, I should have answered the Member of Congress personally, and I should have personally stated one way or another whether I had said it; but that is a matter where each man should judge for himself.

Mr. BENNET. In other words, you think that should have been done just as a matter of respect and courtesy?

Mr. GARDNER. No; I do not go into anything of that sort. I think the President had an opportunity to put an end to this sort of talk, and failed to do so.

I followed very closely the campaign of the gentlemen who are saying that we are actuated by improper motives, and I find that they

prove their case by showing that a number of prominent men—like Mr. Frick and Mr. Morgan and others—are extensive investors in certain large concerns, and that the large concerns are doing munition business or armor-plate business, and that those gentlemen are simultaneously directors or originators, or something of the kind, of the Navy League.

I happened the other day—Christmas day—to pick up a clipping from the newspaper. I had been thinking over the intimation that, because Mr. Morgan or Mr. Frick subscribed \$2,000 to the Navy League, they must have done so out of improper motives, with an idea of getting the money back from investments. Just then my eye lit on this clipping:

Frick pays deposits of 41,000 children.

It tells how Henry C. Frick gave a Christmas gift to the children who had lost their money, owing to the failure of the Pittsburgh Bank for Savings, and that Frick was settling the bill, paying \$167,000 to those children for Christmas presents. I could not help wondering if he did that with the idea of getting his money back at some other future time.

Then I happened to read the other day about how one of these gentlemen under accusation had given a vast sum of money for a lying-in hospital, and I wondered if he did that with the idea of getting his money back from the cheap labor of the fatherless babies, or something of that sort.

I do not think there is anything wrong with the Navy League. That league I confess I know very little about. I am not a member.

I do not think there is anything wrong with the National Security League. I encouraged the gentleman who organized that league to go ahead and do so. By the way, I took precautions to write to my friend, Mr. Frank L. Polk, who was then corporation counsel for the city of New York, and now Solicitor of the State Department, to find out what he knew about Mr. Menken, and whether Menken was interested in any of these ammunition concerns. I did that before I started to encourage Mr. Menken in organizing a national security league. Mr. Polk's reply was that there was no connection of the sort, in his opinion. Polk answered in the negative, as I say, and assured me that I could safely encourage Menken, so far as that point went.

As to the American Defense Society, I know less about it. I rather think that it has honest men in its management, like Theodore Roosevelt, but I know nothing about its finances. I have seen where somebody said that a list of the contributors has been published. I know the Navy League has published theirs. The National Security League has published theirs. The Labor's National Peace Council has not published theirs. The Organization of American Women for Strict Neutrality has not published theirs.

And, then, I think you ought to call somebody like Mr. Nicholas Murray Butler before you. Last spring I noticed how he gave an interview to the effect that he had arranged for a thousand speeches to be made against "militarism," I think he called it, during the summer, and I wondered who was going to pay for those speeches.

For instance, I have had a great many joint debates on this subject. I have been repeatedly approached by the persons who have



invited me to speak, and when I would go away they would say, "Now, how much is your bill?" I have invariably said that, with the exception of one occasion, which was at the very beginning of this movement, for reasons which I can specify, if necessary—but upon one occasion, which happened to be 1914, I took my expenses—well, I took \$100 for speaking in St. Louis. It is fair to say that I went there to speak on another subject, and that my topic was switched at the last moment. Otherwise, invariably, to the best of my recollection, I have paid my own expenses, and I certainly have not accepted any money.

I am perfectly ready at any time to submit to questions as to my investments.

But I mention all that because I often found that the local debate managers expressed surprise, and said, "Why, your opponent has had his expenses paid." I said, "By you?" and they generally replied, "No."

MR. CHIPERFIELD. Who do you refer to as your opponents?

MR. GARDNER. I had 13 joint debates—somewhere around that. Rev. Hull or Prof. Hull was one of them, from Swarthmore College, I remember particularly. I was told his expenses were paid by the Carnegie people. My impression is that I stated it publicly in a subsequent debate, and I rather think that Prof. Hull admitted it being the case; I will not be sure of that.

Then, I found myself in joint debate with Mr. Hamilton Holt. I made that statement, and he said, "Yes; but after I paid my expenses out of the check there was practically nothing left." That was the occasion in which Holt made the statement that he knew of a Senator who was paid \$5,000 for his vote on some munitions or armament question. That debate took place at Brockton. I challenged Holt at once to name the Senator, and he did not do it; and then I went into this question I have just gone into.

Mr. Bryan, of course, has a perfect right to make money out of his crusade against preparedness, if he chooses to do so. However, if his speeches are paid for the public is less likely to put faith in his accusations, especially when he himself refuses to make good when they are challenged.

With Mr. Tavenner and me it is different. We are handsomely paid to legislate for the country. If we are making additional money out of our campaign for and against "preparedness," our constituents are entitled to know that fact. Nothing so surely undermines the esteem in which the Congress ought to be held than the suspicion that our views are influenced by pecuniary interests.

Precisely the same campaign as that of Mr. Tavenner was carried on in 1913 and 1914 by the National Peace Council in London. A man by the name of Perris wrote a pamphlet called "The war traders," and a particularly irresponsible socialist member of Parliament named Philip Snowden (by the way, his wife is in the Ford peace party), in conjunction with Perris, spread broadcast just such material as is set forth in Mr. Tavenner's charges. The result in England, as you know, has been all too painful. Let us hope that we may be spared a fatuousness which has cost Great Britain so many noble young lives.

THE CHAIRMAN. Snowden is a member of what—House of Commons?

Mr. GARDNER. Yes.

The CHAIRMAN. You have finished your remarks?

Mr. GARDNER. I have finished all I want to say, sir.

The CHAIRMAN. Do any members of the committee wish to ask Mr. Gardner a question?

Mr. BENNET. I would like to ask him, more or less in the way of an assertion, You do not think there are any Members in this House, where you have served, believe that your character needs any vindication?

Mr. GARDNER. Not within the four walls of this House; I hope not. Thank you very much for saying that; but I get it so much in my clippings—by implication or otherwise. I even had an editorial **in my own** district which implied that Theodore Roosevelt and I were both bought by ammunition makers. That was in my own district. It is fair to say there is no question about what the writer's motive was. I know who the man was, and the editor happened to be absent, and he was one of the subeditors; but I simply mention that as a fact.

About that sort of thing a man feels, after a time, just exactly as Roosevelt felt about the stories that he was getting drunk all the time—that there had got to be something done about it.

Mr. CHIPERFIELD. Mr. Gardner, what is the ultimate object of this investigation, if you will allow me to ask that question?

Mr. GARDNER. What investigation—the about “smothering”——

Mr. CHIPERFIELD. The proposed investigation by these resolutions?

Mr. GARDNER. Yes.

Mr. CHIPERFIELD. I have noticed, with some curiosity and a little indignation, the attacks that have been made upon these various bodies. I am frank to say there has been some indifference on my part whether or not they are true. It occurs to me that it is aimed at the preparedness program. How does it throw any light upon the question one way or another if the Navy League, and the Labor's National Peace Council, and National Security League, and the American Defense Society, and so forth, have an ulterior purpose, one way or the other? How does it affect the duty of Congress to meet the question absolutely independently of the suggestions of these bodies, and to perform the duty that is past upon Congress; should be sustained, or, on the other hand, should they be convicted upon the charges made—how would it ultimately affect the question?

Mr. GARDNER. You mean to say: “If you are hungry, what difference does it make whether the hands that bring you the food are dirty or not?”

Mr. CHIPERFIELD. I mean to say nothing of the sort. I mean to say that there is a duty imposed upon this Congress, without regard to whether some who are interested in the propaganda may have soiled hands, or whether their hands are clean.

Mr. GARDNER. That is precisely what I said.

Mr. CHIPERFIELD. That is what I mean.

Mr. GARDNER. That is precisely the question I asked you, whether you did mean that.

Mr. CHIPERFIELD. I do mean that.



Mr. GARDNER. Let me answer you, Mr. Chipperfield. Of course, this resolution of mine is a "put-up" or "shut-up" resolution. I do not pretend it is anything else. Does that answer you?

The CHAIRMAN. Here is a question I was about to ask.

Mr. CHIPPERFIELD. So far as the societies are concerned, it does answer it, but should it, even though the charges are true, affect us one way or the other?

Mr. GARDNER. I have said, "Put me in jail, if you just think I am being corrupt." I have said that publicly in an article aimed, I think, against Mr. Daniels. If we are corrupted by the ammunition makers put us in jail, but answer what we say."

The CHAIRMAN. Is there any suggestion in the press or otherwise that these organization are endeavoring to use money or undue influence to get legislation through Congress?

Mr. GARDNER. I have heard that intimation made continually on the floor of this House and in the press and everywhere else—you mean used directly on Congressmen?

The CHAIRMAN. Yes.

Mr. GARDNER. I have not heard that, Mr. Henry. Hamilton Holt made that statement with regard to a Senator.

The CHAIRMAN. Is there supposed to be, from these reports, a lobby here in Washington using any undue influence, either by the use of money or otherwise?

Mr. GARDNER. I think so. I think I have had a request from some newspaper for an interview, in which they spoke of the steel-plate lobby—no; the munitions lobby and the armor-plate trust in Congress. In fact, I rather think a gentleman right here has been making some such statements in New York. I had an account of the meeting. I think I can submit tangible evidence that that has been intimated by a Member of Congress.

The CHAIRMAN. The lobby committee of the Senate is still in existence, the Senate is a continuing body.

Mr. GARDNER. I do not know. Of course, they never found out anything.

The CHAIRMAN. About some things they did.

Mr. GARDNER. I rather think that the conclusion was that one Member of Congress had been under some kind of suspicion of having been in with——

The CHAIRMAN. The Senate lobby?

Mr. GARDNER. They never found out anything. That was the committee instituted in consequence of the President declaring there was a lobby here interested in the tariff schedules. That committee never found anything. That is a useless committee. This one of the House did find out something.

The CHAIRMAN. Mr. Garrett was the chairman.

Mr. CHIPPERFIELD. Just in order that I may make my position clear, since I have asked the question of Mr. Gardner. For one, in the language of the street, I am extremely "weary" of the propaganda that has been carried on impugning the motives of every man who is in favor of national preparedness by asserting there was somebody who would profit by such an enactment into law.

The question which I wanted to make plain is this: Is it worth our while to dignify the charges that have been made by entering upon an investigation of this kind, when, even though there were some who might be financially interested outside of any official duty and dis-



connected entirely with this House—is it a thing that would reflect upon such a law or proposed law, even though that were true, or would it be an argument in its favor, even, if the reverse was true? That is the only question suggested, and that is what I meant by my question to Congressman Gardner.

Mr. GARDNER. And I meant by my answer to quite agree with you in that point of view. What I asked you was whether you thought it affected the question of whether a man's hands were dirty or not, when he brought you a plate of food, provided he was relieving your starvation.

Mr. CHIPERFIELD. So far as my personal appetite is concerned, I suppose it would make no difference. But the same argument would destroy any religion—there are pretenders and hypocrites and those who have ulterior motives in every movement.

Mr. GARDNER. If these organizations are doing it for their own ulterior ends, why, then it discredits all the facts and statements that they put forward before the community. That is just the reason I want Mr. Tavenner and myself investigated, to see whether we are making any money, because that would discredit the statements we have put before the community.

Mr. BENNET. You have not before suggested Mr. Tavenner.

Mr. GARDNER. I thought I did in my personal letter to Mr. Tavenner.

The CHAIRMAN. Just a question, Mr. Gardner. The purpose of these organizations is, directly or indirectly, properly or improperly, to influence the action of Congress. That is the ultimate object upon this question of preparedness?

Mr. GARDNER. The Congress—I think more especially the public.

The CHAIRMAN. That would be indirectly upon Congress: that is what I meant by “indirectly.”

Mr. GARDNER. Yes: I think that is true, perhaps. That is certainly true of the Navy League and the National Security League and the American Defense Society. Whether the Labor's National Peace Council is trying to influence Congress or the President directly or to influence labor organizations, that I do not know.

The CHAIRMAN. If an investigation was had, and a committee should ascertain that these organizations that you now speak of did have an ulterior purpose, do you not think the action of Congress might be different than it would be without such investigation?

Mr. GARDNER. I do not know. I am not going into that.

The CHAIRMAN. I would like them to put the other side, that if as a result of such investigation it was found that there was any such ulterior purpose, do you not think it would have an effect upon Congress, or at least might have?

Mr. GARDNER. A beneficial effect?

The CHAIRMAN. Upon the minds of the Members as to the ultimate action that was taken?

Mr. GARDNER. In this way, you know perfectly well that when you have not got a good case before the bar you slang the opposing counsel. Now, if that opposing counsel can successfully show that you are slanging him, he completely breaks down your case.

The CHAIRMAN. Was that all, Mr. Gardner?

Mr. GARDNER. That is all.

The CHAIRMAN. The committee will now hear Mr. Tavenner.

STATEMENT OF HON. CLYDE H. TAVENNER, MEMBER OF CONGRESS FROM ILLINOIS.

MR. TAVENNER. Mr. Chairman and gentlemen of the committee, I am very anxious to see an investigation by Congress, but, as Mr. Chipperfield says, even after you investigate the four organizations that are named in Mr. Gardner's resolution and in Mr. Hensley's resolution, you would then have only arrived at the point where you ought to start to investigate. I realize that what the Navy League is or is not is not very important, so far as the subject of defense is concerned. The important thing is this, that \$240,000,000, raised by taxing the things that the people eat, wear, and use, have been expended annually on the Army and Navy, and that now, it is said, we are "pitifully unprepared," and that "if war were to break out to-day, it would be found that our coast defenses have not sufficient ammunition for an hour's fight."

It seems to me the thing we really ought to investigate is the question as to where all these millions of dollars have gone, the circumstances under which contracts have been made by Army officers with private munitions firms, and the prices that we have paid for armor and munitions of war. The public service that would result from that kind of an investigation, in my opinion, would be this: We could profit by the mistakes that have been made in the past. If we are not prepared after spending \$240,000,000 a year, what reason is there to believe that we would be prepared if we spend \$340,000,000 a year?

So far as my motives are concerned, I wish to say this: I have not made a single dollar of profit out of my campaign for Government manufacture of munitions.

Mr. Gardner suggested that both he and I be investigated. I am perfectly willing to be investigated, and I wish to make this statement right here now, that I am at the service of any gentleman who desires to question me further on the matter, any gentlemen in this room, any member of the committee, or anyone else. I have not made one penny of profit from any source whatsoever, neither from any writings of newspaper articles, or from any lectures or from any other source. I do not belong to any organization; I am not affiliated with any organization, and I report to no one and take orders from no one, except my constituents. I have gone as far as New York from Illinois to make speeches on the proposition of Government manufacture of munitions of war, and I have paid my own expenses; not only my own car fare but my own hotel bills. However, I do not wish to be understood as meaning that I deserve any credit on account of not having my expenses paid when I have traveled about making speeches for Government manufacture; I am just stating the fact that my expenses were not paid. No one ever offered to pay them. I am not criticising any Member of Congress who has been paid for speaking. Members are constantly receiving requests to go to various cities and deliver addresses, and they can not afford to make this practice unless they receive some compensation. After making several trips and not receiving expenses or compensation, I have quit accepting invitations to speak, as I find it too expensive a luxury for me to indulge in.



I repeat, I have not made a single penny of profit out of this campaign from any source, and the minute any gentleman shows I have, I will resign my seat in Congress. I now put myself at the disposal of the gentleman from Massachusetts to ask me any questions he desires as to whether I have made one penny of profit from any source. If he desires to ask me any question, I will be glad to answer him.

Mr. GARDNER. Did you address that to me?

Mr. TAVENNER. Yes, sir.

Mr. GARDNER. I simply say that both sides ought to be investigated.

Mr. TAVENNER. I would consider it a luxury to be investigated.

Mr. GARDNER. And see whether you write letters for the newspapers.

Mr. TAVENNER. I have not written any articles for pay for a year and a half, or about that time. I have discontinued my newspaper service. I used to conduct a newspaper bureau and wrote an article every day from Washington for six or eight years. I wrote those articles for the pay the papers gave me, and they paid just enough to enable me to live.

Mr. GARDNER. I take absolutely your word for that as sufficiently convincing.

Mr. TAVENNER. It is a question of facts. What we ought to do is this: We ought to find out what Members of Congress own stock in war trafficking firms. It is not a question of establishing motive, but of fact. Let the people know the facts, and if it is all right for Members of Congress to own stock in the munitions firms, they can get out among their constituents and say, "Vote for me! I own stock in such and such munitions concerns! Is not this fact an indorsement of my candidacy?" If there is nothing wrong about it, perhaps their majorities will be increased. In any event, we should let the people know the facts.

Mr. CHIPERFIELD. Mr. Tavenner, may I inquire whether you have carried on campaigns about the present status of war contracts?

Mr. TAVENNER. I am fighting for Government manufacture of munitions.

Mr. CHIPERFIELD. And I would judge that had been a source of considerable expense to you?

Mr. TAVENNER. It has.

Mr. CHIPERFIELD. Has that all been met privately?

Mr. TAVENNER. Yes. I have used too much of my salary, more than I could really afford. I have no income except what I draw from the House of Representatives as a Member.

Mr. CHIPERFIELD. Has that all been paid from your own private funds?

Mr. TAVENNER. From my salary which I receive as a member of the House of Representatives. It has not been so very expensive, however, for the reason that I have my clerk, as a Member of Congress, and I can send out extracts from my remarks in the Congressional Record at very little cost. Before I sent out these extracts to the newspapers I made up a sample and submitted it to the Post Office Department, asking, "Is it all right for me to mail this matter under my frank?" They replied, "It is absolutely all right to frank that. All you must state is that the matter is from the Congressional Record, extracts from remarks, etc."

I want to see an investigation, but I want this matter inquired into: Why we are paying from 20 to 60 per cent more for millions of dollars worth of munitions, armor, etc., than we can manufacture them for in the Government arsenals and navy yards. I realize there are two sides to this policy, and an investigation would bring out both sides. I am not afraid to have the argument of the other side heard, and then I want to have the argument in favor of Government manufacture heard.

As soon as the House convenes to-day I shall introduce a resolution asking for the appointment of a committee to investigate a number of matters of great importance.

I realize the Navy League is only a side issue. My statement about the Navy League was not that these men were not inspired by lofty motives, but that they owned stock in war trafficking firms; that the founders of the league were such, and I believe an investigation would reveal that the Navy League originated at 23 Wall Street, in the office of J. P. Morgan & Co. The reason I believe that——

The CHAIRMAN. You mean to say that in your resolution you will charge that Members of Congress and Senators own stock in munition-trafficking concerns?

Mr. TAVENNER. There was an investigation in 1914-15 by a committee of the United States Senate into lobbies, and two Members of the Senate testified, under oath, that they owned stock in such concerns; others that their relatives owned stock.

The CHAIRMAN. You want to broaden this resolution?

Mr. TAVENNER. Yes, sir; I want to broaden this resolution to take in everything, because I realize nothing would be gained by the public if we investigated only the unimportant part.

Mr. CHIPERFIELD. Are those Senators present Members of the Senate?

Mr. TAVENNER. Yes, sir; they are Senators now.

Mr. GARDNER. Did you ask what the stock was they owned?

Mr. TAVENNER. Yes, sir; the stock was that of the General Electric Co. and the United States Steel Corporation. The General Electric Co. has drawn down two and one-half millions of dollars worth of contracts from the Navy Department, receiving orders every year, and it is reported in the Standard Corporation Service Reports as having profited hugely from the European War, and it is so reported in the Wall Street Journal and in Financial America. They all have it down as a war trader.

I think the orders from the United States Government were received during the time Senators held stock. If not, let us ascertain when they bought the stock, how long they held it, and all about it.

Mr. GARDNER. But the other orders?

Mr. TAVENNER. From these various countries?

Mr. GARDNER. Yes.

Mr. TAVENNER. I would not be surprised if there had been some withdrawals since the European war.

Mr. GARDNER. The General Electric Co. is in my county. I sold out my stock. [NOTE.—Jan. 22, 1916.—I am a trustee of certain trusts containing General Electric shares. My wife is a small beneficiary and my married daughter is a substantial beneficiary.]

Mr. TAVENNER. Did you sell out your stock before General Electric received contracts from the Navy Department?



Mr. GARDNER. I never heard until this minute of any contracts with the Navy Department. That is the trouble; a man makes investments and he can not go into everything, but I got rid of my General Electric Co. stock when I found out that they had contracts to make munitions.

Mr. TAVENNER. I would like to ask you what relation George Peabody Gardner is to you?

Mr. GARDNER. He is a first cousin.

Mr. TAVENNER. He is a director in the General Electric Co., which is a J. P. Morgan concern; is not that correct?

Mr. GARDNER. Yes.

The CHAIRMAN. You have called these matters to the attention of the Committees on Naval Affairs and Military Affairs and asked them to make inquiry?

Mr. TAVENNER. No; because I thought the proper way to do this would be by a special joint committee of Congress.

The CHAIRMAN. Those committees would have jurisdiction even now to inquire into the expenditure of money which we are appropriating in Congress for the Army and Navy.

Mr. TAVENNER. Yes, sir; but I want investigated some other things of a nature that they probably would not feel like going into.

I want certain Wall Street brokers to testify and give names of patrons who are Army and Navy officers.

The CHAIRMAN. Are you going to specify those things in your resolution?

Mr. TAVENNER. Yes, sir. I want to find out by what authority secret plans and specifications worked out by officers and employees of the Navy Department were turned over to a private firm, for use in foreign battleships, and I have——

Mr. CHIPERFIELD. Do you know that to be true?

Mr. TAVENNER. Yes, sir; I do.

Mr. FOSTER. Did you ever place that before the Navy Department?

Mr. TAVENNER. No, sir; the Navy Department knows about it. I have here a copy of the resolution which I shall introduce to-day. I will read it.

Mr. FOSTER. I do not think that will be necessary, if you are going to introduce it.

Mr. CHIPERFIELD. Have you informed the War and Navy Departments of that fact?

Mr. TAVENNER. They know it.

Mr. BENNET. Is that relation to the fire-control plans sold to the Greek Government?

Mr. TAVENNER. No, sir; to the Argentine Government.

Mr. LENROOT. Mr. Tavenner, is it your opinion that an investigation as proposed in this resolution before the committee now would be of public benefit or benefit with reference to action of Congress?

Mr. TAVENNER. I believe it would. I believe the people ought to know all about the identity of the gentlemen who founded the Navy League.

Mr. GARRETT. I would be very glad to have Mr. Tavenner read the resolution that he is going to introduce.

The CHAIRMAN. I must be on the floor at 12 o'clock.

Mr. GARRETT. You would not be able to read it in five minutes?

Mr. TAVENNER. I can read it in five minutes.

Mr. GARRETT. Read it, as rapidly as possible.

Mr. TAVENNER (reading) :

Whereas more than \$200,000,000, raised principally by taxing the things that the people eat, wear, and use, have been expended annually on the Army and Navy under the general assumption that in return for this colossal expenditure the Nation was being reasonably "prepared"; and

Whereas it is now being generally asserted in many quarters that the Nation is pitifully "unprepared," the specific charge having been made on the floor of the House of Representatives by a Member thereof that "if war were to break out to-day, it would be found that our coast defenses have not sufficient ammunition for an hour's fight"; and

Whereas it has also been charged in the Congress that millions of dollars of public funds have been wasted by the payment to private manufacturers by Army and Navy officers of from 20 to 60 per cent more for large quantities of Army and Navy supplies than the same could have been obtained for through their manufacture in Government arsenals and navy yards; and

Whereas President Wilson in a message to the Congress on December 8, 1914, said that "like good stewards, we should so account for every dollar of our appropriations as to make it perfectly evident what it was spent for and in what way it was spent"; and

Whereas the profit incident to the manufacture and sale of arms, armament, and munitions of war has a tendency to corrupt public opinion, disturb international peace, and prevent a peaceful settlement of disputes between nations; and inasmuch as it ought to be made impossible for any person or corporation to make money out of war; and inasmuch as the Government should, for its own safety and protection, manufacture all arms, armament, and munitions of war for the equipment, construction, and use of the Army and Navy to the end that it may be independent of individuals and corporate interests; and

Whereas there has been public criticism of the action of ex-Army and ex-Navy officers, who after resigning or retiring have taken employment with concerns having dealings with the Government; and

Whereas it has been charged that supposedly secret plans and designs worked out by officers and employees of the Navy Department at public expense for exclusive use in American battleships were furnished to a private firm to be embodied in battleships for another nation; and

Whereas it has been charged that the Navy League, an organization active in agitating for increased naval expenditures has among its founders, officers, members, and directors persons who are, or have been officers, directors, or stockholders of war-trafficking firms or concerns which stand to profit financially from the increased naval appropriations being agitated by said Navy League; and

Whereas hearings by the Lobby Investigation Committee of the United States Senate in 1915 revealed that Senators now in office were stockholders of war-trafficking firms and concerns which profit financially from Government appropriations for the Army and Navy; and

Whereas any or all of the divers matters heretofore mentioned may bear on the alleged wasting of public funds and the alleged unpreparedness of our Nation in spite of the enormous appropriations made by Congress annually; and

Whereas it is deemed advisable to gather the facts bearing on the aforesaid conditions and charges, or in any way or manner relating thereto or to any of the subjects above mentioned, as a basis for remedial and other legislative purposes: Therefore be it

*Resolved*, That a joint committee of the Senate and House of Representatives, to consist of six Members of the Senate to be appointed by the President of the Senate, and six Members of the House of Representatives to be appointed by the Speaker of the House, is hereby empowered, authorized, and directed—

First. To investigate fully and inquire into each and all of the above-recited matters and into any matters and subjects connected with, or appurtenant to, or being upon the same.

Second. To investigate fully and inquire into—

(a) The total amounts paid to private manufacturers for guns, ammunition, torpedoes, powder, armor plate, submarines, battleships, and other equipment and supplies used by the Army and Navy in large quantities for each year since 1887, and approximately what the saving would have been to the people



if the capacity of Government establishments had permitted the complete Government manufacture of said equipment.

(b) The extent of the economy or extravagance which has resulted from the Government manufacture of Army and Navy equipment of any kind whatsoever which the Government is now engaged in manufacturing.

(c) The most feasible plan of acquiring or constructing manufacturing plants of sufficient capacity to supply the Army and Navy with all arms, armament, and munitions of war, including ships and their equipment.

(d) The probable cost of such manufacturing plants, taking into account both present and future military needs.

(e) The proper locations for such manufacturing plants.

(f) The necessary legislation to prevent either persons or corporations from engaging or continuing in such manufacture and when such legislation should take effect.

Third. To investigate and report the extent to which Army and Navy officials on the retired list, or who have resigned from the Army and Navy, are now connected or have ever been connected with concerns having dealings with the Government.

(a) Or to investigate any alleged connections, direct or indirect, between any Army or Navy officer, either on the active list or the retired list, and concerns which now have or have had dealings with the Government.

(b) Whether any Army or Navy officers on the pay roll of the Government, either on the active or retired list, are now, or have been, in any contract by which they are, or were, to receive royalties on implements of war sold to foreign governments.

Fourth. To compile a list of ex-Army and ex-Navy officers employed by private concerns and the names, places, and character of the business engaged in by the concerns with which said persons are, or have been, connected.

Fifth. To investigate and report the circumstances under which any private concern has been able to obtain plans and specifications from the Navy Department for use in constructing battleships for a foreign nation.

Sixth. To investigate the quality of work of any character supplied the Government by private concerns or the circumstances involved in connection with the making of any contracts between the Government and any private concern.

Seventh. To ascertain the extent to which individuals who are, or who have been, founders, directors, officers, life members, or contributing members of the Navy League or similar organizations, are, or have been, stockholders, officers, directors, or employees of concerns which stand to profit from the increased appropriations for the Army and Navy which are being advocated by the Navy League or kindred organizations.

Eighth. To inquire into the organization, membership, expenditures, receipts, and sources thereof of Labor's National Peace Council, or any organizations which have been active in the propaganda for or against an embargo on munitions of war or the proposed increases in the Army and Navy of the United States.

Ninth. To ascertain the extent to which Members of Congress both of the Senate and House of Representatives of the United States, own, hold, or control, directly or indirectly, or have ever owned, held, or controlled, directly or indirectly, at any time during their membership in this or any preceding Congress, stock or bonds in any concern or concerns which are now, or have been engaged in the manufacture of munitions of war.

Tenth. To ascertain the extent to which Members of Congress, both of the Senate and House of Representatives of the United States, own, hold, or control, directly or indirectly, or have ever owned, held, or controlled, directly or indirectly, at any time during their membership in this or any preceding Congress, stock or bonds in any concern or concerns which have profited financially by virtue of contracts for munitions, armament, ships, or other supplies or materials, under moneys appropriated in the Army, Navy, fortifications, sundry civil, or other appropriation bills, or, if deemed advisable, to require Army and Navy officers, or any person or persons who have taken an active part for or against increased Army and Navy appropriations, to testify as to their holdings of stocks and bonds.

Eleventh. To require munitions concerns or firms which have obtained contracts for materials of any character under Army and Navy appropriations, to furnish sworn lists of its stockholders and bondholders on June 30, 1914, June 30, 1915, or such other dates as it may designate, or to require stock brokers to furnish lists of these for whom they have bought or sold stocks or bonds.

That said joint committee be authorized to take testimony, have the power to administer oaths, and to send for persons and papers, and to compel witnesses to attend and testify, and to report at the earliest practicable date, or to make partial reports at intervals of time during the course of proceedings if in the judgment of the committee such action appears advisable, and be authorized to sit by subcommittee or otherwise during the sessions or recess of Congress, at such times and places as it may deem advisable, and to employ such clerical and stenographic assistance as it shall deem necessary; to order such printing and binding done as may be required in the transaction of its business, and to incur such expenses as may be deemed necessary, all such expense to be paid in equal proportions out of the contingent funds of the Senate and House of Representatives upon vouchers signed by the chairman of the committee, and approved by the proper committee of each house. And that the hearings of this committee be open to the public.

*Provided*, That any member of the House or Senate who is in this, or has been in any preceding Congress, a member of the Military Affairs, Naval, or the Appropriations Committee of the House or Senate or who has held, owned, or controlled, directly or indirectly, during this or any preceding Congress, any stock or bonds in concerns which have profited under Army and Navy appropriations, or whose relatives, either by blood or marriage have held, owned, or controlled, directly or indirectly, bonds or stock in such concerns, shall not be eligible for appointment on committee herein provided for.

[NOTE.—January 27, 1916, the above resolution was introduced; January 19, 1916, numbered H. J. Res. 112, and was referred to the Committee on Naval Affairs, and ordered to be printed.]

Mr. GARDNER. I do not think I said half an hour, if you mean me. I said 73 per cent of an hour, if you will look up my hearing.

You meant me, about that half hour's ammunition?

Mr. TAVENNER. Yes, sir.

Mr. GARDNER. I think you will see that I said 73 per cent of an hour.

Mr. TAVENNER. Mr. Gardner, I believe I quoted that from the Congressional Record. If I made a mistake, I will be glad to correct it.

[NOTE (by Mr. Tavenner, Jan. 27, 1916).—The remarks in question were taken from Mr. Gardner's speech before the House of Representatives on December 10, 1914, which were as follows: "I do not, however, hesitate to assert that *if war were to break out to-day, it would be found that our coast defenses have not sufficient ammunition for an hour's fight.*" (See Congressional Record, p. 100, pt. 1, vol. 52.)]

Mr. GARDNER. Gen. Wotherspoon's report showed three-quarters of an hour's ammunition for the sea-coast guns and one-half of an hour's ammunition for the sea-coast mortars. That proved to be a mistake. We had 73 per cent of one hour's ammunition for the guns and mortars combined.

Mr. TAVENNER. I desire to add this, that while I do not agree with Mr. Gardner on everything, and am unwilling to go to anything like the length he would have us go, I realize he has given much painstaking study, time, and energy to the work of educating himself on matters pertaining to the Army and Navy. I believe his work on the whole will be beneficial for this reason; I am satisfied in my own mind that millions and millions of dollars appropriated for defense have been wasted by the payment of excessive prices for materials of various kinds. I believe that the Nation does not have the Army and Navy it should have for the colossal sums that have been expended upon them. Mr. Gardner has called attention to certain weaknesses in our defenses, and they will be corrected. In the meantime the eyes of Congress and the people are being opened to



the fact that they have not been receiving a dollar's worth of defense for every dollar appropriated. I believe the result will be that public sentiment will ultimately force Congress to manufacture its own munitions, armor, battleships, submarines, etc. I expect legislation looking to this end to be enacted even in the present session of Congress. Once private profit and private graft are taken out of war and preparation for war, I am confident that that part of the systematic agitation for increased Army and Navy appropriations that is bought and paid for will cease overnight, and that the now-threatening danger of a military autocracy in this country will completely vanish.

Relative to the identity of the founders of the Navy League, I will add for publication in the records of this hearing, so the members of the committee may have it in shape for consideration, some extracts from my remarks in the House of Representatives on December 15, 1915, bearing on that subject:

THE DISINTERESTED PATRIOTISM OF THE NAVY LEAGUE.

MR. TAVENNER. I believe in giving credit to whom credit is due. For instance, the gentlemen back of the Navy League, in my opinion, deserve full credit for the sentiment that has at last been developed in many quarters of the United States for increased appropriations for the Army and Navy. They deserve full credit for the sentiment that has been aroused in the large manufacturing centers and other parts of the United States for the proposed \$500,000,000 bond issue for battleships that the Navy League has been advocating. I am in favor of giving the Navy League full credit and also full responsibility.

On November 19 I made the statement, publicly, that I intended to introduce in Congress a resolution to investigate the Navy League and to require J. P. Morgan, one of the directors of the league, to take the responsibility of testifying under oath as to whether he is interested in war-trafficking firms.

\* \* \* \* \*

In a letter sent to Members of Congress, dated January 13, 1914, A. H. Dadmun, secretary of the Navy League, said:

"Certain Congressmen have insinuated that the league is supported by people who are interested in the sale of war materials to the Navy. They are entirely mistaken."

Mr. Dadmun, in a letter published in the January, 1916, issue of Pearson's Magazine, reiterates that the men back of the Navy League "*are men who will not profit by the results of the league's propaganda.*"

What is this Navy League? Who founded it, and who are its directors? I hold in my hand the bound Navy League Journal for 1904. In the opening number is the statement that this is "the official organ of the Navy League of the United States."

I turn now to page 32 of the issue of February, 1904, where I find a list of 19 men who are named as the "founders" of the Navy League. Now, then, let us see who they are.

I note in the list of founders the name of the Midvale Steel Co. The United States Government since 1903 has bought from the Midvale Steel Co. 48,399 tons of armor, and we have paid for it an average of \$420 a ton, or in all \$20,375,858 for the single item of armor plate alone, not to say anything about other millions of dollars' worth of contracts that have been given to the Midvale Steel Co. for other things used by the Army and Navy; and if the Navy League's proposed \$500,000,000 bond issue goes through, Midvale will stand to draw down some more millions.

Let us see if there are any more war traffickers here. Is Charles M. Schwab, whom I see listed as one of the founders, a war trafficker? Well, he is president of the Bethlehem Steel Corporation, and we have bought from Bethlehem 95,007 tons of armor at an average rate of \$445 a ton, and have paid Bethlehem for armor plate alone \$42,344,937. That is the second member of the armor ring.

Now, there is another member of the armor ring, and that is the Carnegie Steel Co. Let us see if we find them also among the founders of the Navy League. Yes; I see here the name of J. P. Morgan. The late J. P. Morgan was the organizer and a director of the United States Steel Corporation, which controls, according to Moody's Manual, the Carnegie Steel Co. We have bought from the Carnegie Steel Co. 89,993 tons of armor plate, paying an average of \$442 a ton, or a total of \$39,783,497 for the single item of armor plate; and if the Navy League's proposed \$500,000,000 bond issue for battleships goes through they will receive still larger contracts. So that you see the three firms which have a monopoly of the manufacture of armor in this country are all founders of the Navy League; they are all represented as the founders of the Navy League, and we have bought from them 233,339 tons of armor plate, paying for it an average of \$439 a ton, or a total of \$102,504,292.

Mr. FARR. For how long?

Mr. TAVENNER. Since 1887. Remember that figure, \$439! There have been 10 official estimates by Government officials as to the cost of armor plate in a Government factory, and the average of those estimates is \$251 a ton; and had we manufactured this armor in a Government factory, which the Navy League has cold-shouldered, I think I am well within the bounds of conservatism when I say we could have saved to the American taxpayers at the very least \$35,000,000.

#### ARMOR-PLATE MAKERS ARE THE MOST PATRIOTIC PATRIOTS ON EARTH.

There are but three firms in the United States that manufacture armor plate—Midvale, Bethlehem, and Carnegie companies—and each of them is represented in the list of 19 men who, according to the official journal of the Navy League, were the founders of the organization.

At the time this particular list of 19 founders of the Navy League was published there were some 80,000,000 or 90,000,000 ordinary individuals and thousands of directors of corporations in the United States.

Is it not a rather peculiar coincidence that among those 19 patriots who stepped forth from all the millions of American citizens to save the Republic by advocating larger appropriations for battleships, every armor-making concern in the United States should be represented? And that the greater half of the 19 patriots were connected with firms that would directly profit from such propaganda? And that most of those who were not directly concerned with such firms were connected in some manner with individuals or firms that would profit? To expect the intelligent men and women of this country to agree with the Navy League officials that this was not a peculiar coincidence is to assume that the American people are fools.

Or can it be that we are mistaken, and that the explanation of the presence of so many war traffickers among the founders of the Navy League is that patriotism just naturally runs to armor-plate makers? If the personnel of the Navy League is a thermometer registering the quantity and quality of the patriotism of an individual, then it can not be successfully denied that patriotism does run to the armor-plate makers.

And standing shoulder to shoulder in patriotism with the directors and stockholders of armor-plate-making concerns are the directors and stockholders of steel, and then of nickel, and copper, and zinc, and so on down the line. As we proceed to analyze the various groups of founders, life members, honorary vice presidents, and contributors to the Navy League covering its entire existence of 13 years the conviction will be gradually driven home to us that patriotism runs to metal, and that the Navy League is the magnet which draws together the men who make money handling metal in some form or other and who want to make more money. After these basic facts are clearly established in our minds it will not appear strange, but quite the logical thing, that our friend, Col. Robert M. Thompson, the president of the New York Metal Exchange, should be the president of the Navy League.

Col. Thompson might have been a founder of an Army league, or a State militia league, or a national militia league, but he was not. He is the chairman of the board of directors of the Nickel Trust, and nickel is the most important and most expensive metal that goes into armor plate, and armor plate is one of the most important and most expensive things that go into a dreadnaught, and Col. Thompson became a founder of the Navy League. He has been one of the most active heads of the Navy League ever since. By a coincidence that is almost weird, nickel, that valuable metal which is so indis-



pensable in war trafficking, has also always been well to the forefront in the makeup of the Navy League of Great Britain. For many years Sir Alfred Mond, chairman of the Mond Nickel Co. of London, has been the vice-president of the British Navy League.

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The Harvey Steel Co., which owned the patent on a process for hardening steel which compelled all manufacturers of armor plate to pay it a royalty, was in on the ground floor at the organization of the Navy League in the persons of S. S. Palmer, its president, and Benjamin F. Tracy, ex-Secretary of the Navy. Mr. Tracy was the counsel for the Harvey Co. and the Carnegie Steel Co. after leaving the Navy Department. Both Palmer and Tracy were also among the 19 founders.

Throughout the existence of the Navy League there have been several distinct groups represented, made up of officers, directors, attorneys, and employees. The most important of these are the J. P. Morgan group, the Bethlehem Steel group, the Carnegie Steel group, the Midvale Steel group, the Harvey Steel group, and last, but not least, Col. Thompson's International Nickel Co. group. These groups will be found well represented in the league's officers, directorates, contributors, and vice presidents for each and every years since the birth of the Navy League in 1902.

There are 19 men in the list of founders, and of those 19 the majority were connected with concerns and establishments which, through interlocking directorates, connect in turn with manufacturers of war materials and things which go into war materials.

Now I come down to the officers of the Navy League to-day. The president of the league, Col. Robert M. Thompson, the gentleman who was unkind enough to threaten to sue me but not kind enough to do it [applause on the Democratic side], is chairman of the board of directors of the International Nickel Co., the business of which, according to the Wall Street Journal, has been very much improved by the war.

The directorate of the International Nickel Co. interlocks with that of the United States Steel Corporation, Edmund C. Converse sitting as a director on both concerns. United States Steel controls the bulk of the steel industry in this country, and is capitalized for \$1,512,000,000, while International Nickel controls the greater part of the nickel lands of the North American Continent, and is capitalized at \$47,000,000.

Col. Thompson, as president of the Navy League, was a happy selection, indeed, because the steel, nickel, and copper interests, all of which will profit handsomely through war and preparation for war, interlock beautifully through him and his International Nickel Co. W. A. Clark, the Montana "copper king," is president of the Waelark Wire Co., and Col. Thompson is one of his directors on that corporation. Then, too, Col. Thompson is president of the New York Metal Exchange.

Col. Thompson's International Nickel Co. also interlocks with the Midvale Steel & Ordnance Co., W. E. Corey being a director of International Nickel and president and director of the new Midvale corporation, which was organized recently for \$100,000,000 especially to handle the growing war-trafficking trade, and is one of the largest war-trading firms in the United States. Mr. Corey only recently retired from the presidency of the Carnegie Steel Co. and from the board of directors of United States Steel. One of the underlying concerns of the new Midvale company is the Remington Arms Co., which has a contract to manufacture 2,000,000 Enfield rifles for the British Government.

The International Nickel Co. also interlocks with the Midvale concern through Ambrose Monell, who is president of the International Nickel Co. and a director of the Midvale Steel & Ordnance Co.

Seward Prosser, another director of International Nickel, is one of the contributors to the funds of the Navy League, which have been used to banquet Secretaries of the Navy and Members of Congress, hire speakers, and carry on the elaborate campaign for "preparedness" which the Navy League has been carrying on most earnestly for the last 13 years, and which promises now to bear fruit in the form of staggering increases in Army and Navy appropriations.

International Nickel also interlocks directly with the United States Navy Department, through W. H. Brownson, retired rear admiral, who is a director of the International Nickel Co. and on the pay roll of the Government at a salary of \$6,000 a year, which is three-fourths full pay. "Who's Who" for 1914-15 gives Admiral Brownson's address as "Navy Department, Washington, D. C." Admiral Brownson is, no doubt, of more value to the International Nickel

Co. in Washington, where he comes into intimate contact with fellow naval officers, than he would be any place else.

Are there any reasons, other than purely patriotic ones, why officers and directors of the Nickel Trust might be urging, through the Navy League, a \$500,000,000 bond issue for battleships, etc.? Light may be had on this subject by referring to a table to be found on page 5259 of the Congressional Record, last session. The table in question is headed "Metal per ton of armor," and is a part of the report of Senator Tillman, Representative Padgett, and Admiral Strauss, of the Navy Department, as to the cost of manufacturing armor plate.

This table states that of every \$5,274 worth of metal used in the manufacture of armor plate \$2,953 represents the value of the nickel scrap and \$1,466 represents the value of the metallic nickel used in the manufacture of armor.

Nor is the use of nickel confined to armor plate. It goes into ammunition hoists, communication tubes and turrets, deck, hull, and ship plates, guns and gun shields, rifles and small arms, torpedo air reservoirs, marine straight-line shafting, crank shafts, piston rods, and other marine-engine forgings. As to whether the International Nickel Co. is a war trafficker, the Wall Street Journal, March 23, 1915, has the following to say:

"As a result of the demand for cartridges and shells, the International Nickel Co. is receiving unusually large orders for nickel. The metal is necessary in the manufacture of the various kinds of ammunition, and the various manufacturers of munitions, such as Bethlehem Steel Corporation, Remington Arms, and Union Metallic Cartridge Co., have found it necessary to increase their supply of nickel."

The Wall Street Journal of May 22 reported that the business of the Nickel Trust was soaring higher and higher, and that the "increase in business was mainly due to the war."

International Nickel advanced nine points in one day.

Nickel is used in the manufacture of submarines to a considerable extent. It is made use of, according to the Wall Street Journal, in the new electric batteries for submarines, invented by Thomas A. Edison, which will prevent the generation of chlorine gas. In this instance the nickel supplants lead. Another source of increased revenue is the high price of copper. The company's ore recovery is estimated to be about 70 per cent nickel and 30 per cent copper. The company owns the most extensive known existing nickel ore deposits. Its patented nickel lands in Ontario, Canada, cover 100,000 acres, and in addition to this the company owns the town of Copper Cliff. It also owns the shares of the Societe Miniere Caledonienne of New Caledonia, which company owns extensive nickel lands. These lands, it is estimated, will furnish the company with at least 60 years' ore supply. Earnings during the months of June, July, and August, according to well-informed interests, were at the rate of between 25 per cent and 30 per cent a year on the common stock.

Thus it will be seen that the head of the Navy League has the nickel, plenty of it, enough to last for 60 years. All that remains to be done is to get Uncle Samuel to buy it. If Col. Thompson can manage to put through the Navy League's proposed \$500,000,000 bond issue for battleships, etc., perhaps the Nickel Trust will be able to pay even 50 per cent or 60 per cent on its common stock. If there is any more profitable way for the head of the Nickel Trust to spend his time than in Washington pointing out to the Senators and Congressmen the frightful insecurity of the Nation, it would be interesting to know how he could do it. It need not be said that he is not a great patriot, and it can not be said that he is not a great business man. It is not every man who can make patriotism a business and make it pay 20 per cent or 30 per cent!

CONNECTING LINKS BETWEEN THE NAVY LEAGUE AND THE HOUSE OF J. P. MORGAN & CO., 23 WALL STREET, NEW YORK.

The Navy League upon close examination would appear to be little more than a branch office of the house of J. P. Morgan & Co. and a general sales promotion bureau for the various armor and munition makers and the steel, nickel, copper, and zinc interests. At least, they are all represented among the directors, officers, founders, or life members of or contributors to the Navy League.

Especially are all forms of big business represented, and big business invariably heads in at 23 Wall Street, New York.

J. P. Morgan was formerly treasurer of the Navy League and is now a director and contributor. He is a director also of the United States Steel Corporation and many other corporations.



Herbert L. Satterlee, former Assistant Secretary of the Navy Department and a brother-in-law of J. P. Morgan, was one of the incorporators and founders of the Navy League and is the present general counsel of the league.

The late J. P. Morgan was one of the founders and principal contributors to the Navy League, and as late as June 10, 1915, \$2,000 was subscribed on behalf of the Morgan estate.

Edward T. Stotesbury, a member of the firm of J. P. Morgan & Co. and a director of the Baldwin Locomotive Works, and until recently a director of Cambria Steel Co., Phoenix Iron Co., Riverside Metal Co., Temple Iron Co., Wm. Cramp & Sons Ship & Engine Building Co., and 54 other corporations, banks, and trust companies, is one of the honorary vice presidents of the Navy League. The Wall Street Journal on July 26, 1915, reported that the Baldwin Locomotive Works had received a war order for \$80,000,000 worth of shells and other munitions.

Robert Bacon, former Secretary of State and partner of J. P. Morgan & Co. and first director of the United States Steel Corporation, is a director of the Navy League.

Henry C. Frick, a fellow director of J. P. Morgan on both the United States Steel Corporation and the National City Bank of New York, is an honorary vice president of the Navy League.

Jacob H. Schiff, a director with J. P. Morgan on the National City Bank of New York, contributed \$1,000 to the Navy League June 10, 1915.

J. Ogden Armour, a director with J. P. Morgan on the National City Bank of New York, was one of a committee which, under the auspices of the National Security League, issued a statement certifying as to the patriotism of the Navy League.

Cleveland H. Dodge, a director with J. P. Morgan on the National City Bank of New York and a director of the American Brass Co., Commercial Mining Co., Copper Queen Consolidated Mining Co., Detroit Copper Mining Co. of Arizona, Lackawanna Iron & Coal Co., Montezuma Copper Co., and the United Globe Mines, is a life member of the Navy League. Marcellus H. Dodge, a nephew of Cleveland H. Dodge, is a director on the boards of the Remington Arms-Union Metallic Cartridge Co. and the Remington Arms & Ammunition Co. Cleveland H. Dodge is vice president of Phelps, Dodge & Co. (Ltd.), a \$45,000,000 corporation, which is one of the leading factors in the copper industry in the United States. Although the millions of Cleveland H. Dodge have been multiplied through the increased value of his copper holdings as a result of the European war, his firms appear unwilling to share their prosperity with their miners in Arizona. Some 5,000 copper miners are now on strike, and because Gov. Hunt, of Arizona, has dared to protect them against an invasion of lawless thugs and strikebreakers, the mine owners are circulating petitions for his recall. The leading corporation involved in the Clifton-Morenci strike is Phelps, Dodge & Co., of which Cleveland H. Dodge is vice president. The company in 1912 earned 23 per cent on its capital of \$45,000,000 and paid a 15 per cent dividend. To-day copper is higher than at any time in nine years, yet the company refuses to grant its men a wage increase or to make any concession. The principal property of the company at Clifton paid in 1912 a dividend of 146½ per cent on a capital of \$1,000,000.

Joseph P. Grace, a director with J. P. Morgan on the National City Bank of New York, is one of the contributors to the funds of the Navy League.

George F. Baker, jr., a director of the First National Bank of New York and a son of a director of the United States Steel Corporation, contributed \$1,000 to the Navy League June 10, 1915.

Allan A. Ryan, a director of the Bethlehem Steel Corporation, is a contributor to the Navy League, and George R. Sheldon, another director of the Bethlehem Corporation and also a director of the American Locomotive Co., both of which concerns have profited hugely from European war orders, is an honorary vice president of the Navy League. Considering that Charles M. Schwab, the president of Bethlehem, is one of the founders of the Navy League, it would appear that this war-trafficking firm has full representation in this organization. And it always has been well represented. Robert H. Sayre, a former general manager of Bethlehem, was a life member of the Navy League, and Lieut. J. F. Meigs, who left the Navy Department to go into the employ of Bethlehem, was also a life member.

Beekman Winthrop, a former Assistant Secretary of the Navy and now a director of the Lackawanna Steel Co., is a director of the Navy League.

Former United States Senator W. A. Clark, the "copper king of Montana," is a director of the Navy League and a director of the W. A. Clark Titanite Explosive Co., Colusa-Parrot Mining & Smelting Co., Equator Mining & Smelting Co., Henry-Bonnard Bronze Co., Mayflower Consolidated Mining Co., Moulton Mining Co., Ophir Hill Consolidated Mining Co., Original Consolidated Mining Co., Sunset Mining Co., United Verde Copper Co., and 26 other corporations.

Charles F. Brooker, honorary vice president of the Navy League, is president and director of the American Brass Co. and a director of the United States Smelting, Refining & Mining Co., Westinghouse Electric & Manufacturing Co., Mechanics & Metals National Bank of the city of New York, and 15 other banks, trust companies, and corporations. On April 10, 1915, Mr. Brooker also owned 474 shares of Bethlehem Steel, which was worth \$40 a share previous to the outbreak of the European war, and went as high as \$600 on October 22, 1915.

Lewis L. Clarke, treasurer of the Navy League, is a director of the American Locomotive Co. The Standard Corporation Service on May 3, 1915, reported that the American Locomotive Co. had concluded negotiations with the British Government for the manufacture of 5,000,000 shrapnel shells to cost \$66.-250,000.

A. Barton Hepburn, honorary vice president of the Navy League, is a director of the American Car & Foundry Co., which has received large munitions contracts from the allies.

Henry B. Joy, vice president of the Navy League, who opposes Government manufacture of war munitions, is president of the Packard Motor Car Co., which has received large orders from the allies.

T. Coleman du Pont, president of the Du Pont de Nemours Powder Co., was formerly a vice president of the Navy League. The du Ponts have managed to maintain a monopoly of the sale of smokeless powder to the United States Government, and have received some \$25,000,000 worth of contracts in the last 10 years.

I do not desire to make the charge that President Thompson and Secretary Dadmun, of the Navy League, are deliberately falsifying in insisting that this purely patriotic organization is backed by "men who will not profit by the league's propaganda," because it is possible that they have reiterated this view so often that they have come to actually believe it themselves. *I doubt, however, whether they can convince the American people that they have not been imposed upon.*

\* \* \* \* \*

#### STEEL.

The following are the steel companies which have representation in the Navy League:

1. United States Steel Corporation, represented through J. P. Morgan, director of Navy League and United States Steel; Robert Bacon, director of Navy League and United States Steel; Elbert H. Gary, contributor to Navy League and chairman of the board of directors and chairman finance committee United States Steel; Henry C. Frick, honorary vice president Navy League and director United States Steel; George F. Baker, jr., contributor to Navy League and son of director of United States Steel. The late J. P. Morgan was a founder, contributor, and director of the Navy League and the organizer and a director of United States Steel. Charles M. Schwab, who is shown in Moody's Manual for 1903 as then president of United States Steel, is shown by the official journal of the Navy League for 1903 to have been one of the founders of the league in July of the same year.

2. Bethlehem Steel Corporation, represented through Charles M. Schwab, one of the founders of the Navy League and president of Bethlehem, which controls the San Francisco Dry Dock Co., the Union Iron Works Dry Dock Co. of San Francisco, the Fore River Shipbuilding Co., Harlan & Hollingsworth Corporation, and the Titusville Forge Co. Bethlehem is also represented in the Navy League through Allan A. Ryan, contributor to the Navy League and director of Bethlehem; George R. Sheldon, honorary vice president of the Navy League and director of Bethlehem; Charles F. Brooker, a former honorary vice president of the Navy League and stockholder of Bethlehem. The above held stock in Bethlehem on September 27, 1915, as follows: Charles M. Schwab, 38,451 shares; Allan A. Ryan & Co., 13,910. Charles F. Brooker held



474 shares on April 10, 1915. Robert H. Sayre, a former general manager of Bethlehem, was a life member of the Navy League, and Lieut. J. F. Meigs, resigned, an employee of Bethlehem, was a life member.

3. Carnegie Steel Co., represented through those connected with the United States Steel Corporation, of which it is an underlying company, and was also represented before its connection with United States Steel through ex-Secretary of the Navy Benjamin F. Tracy, attorney for the Carnegie Co. and one of the founders of the Navy League, and indirectly through Albert B. Boardman and James R. Soley, who were associated with Mr. Tracy.

4. Harvey Steel Co., represented through S. S. Palmer, one of the founders of the Navy League and president of the Harvey Co., and through ex-Secretary Tracy, who was also the attorney for Harvey Co. The Harvey Co. was therefore also indirectly represented through Mr. Boardman and Mr. Soley.

5. Lackawanna Steel Co., represented through Beekman Wiuthrop, director of Lackawanna and director of the Navy League, and through Ogden L. Mills, contributor to the Navy League and director of Lackawanna. James Speyer, life member of Navy League, was until recently a director of Lackawanna.

6. Cambria Steel Co., represented until recently by E. T. Stotesbury, of the firm of J. P. Morgan & Co. Mr. Stotesbury was a director of Cambria and honorary vice president of the Navy League.

7. Midvale Steel Co., one of the founders of the Navy League.

8. Eastern Steel Co., represented through Harry Payne Whitney, one of the founders of the Navy League and director of Eastern Steel.

9. Pennsylvania Steel Co., represented through E. T. Stotesbury, member of firm of J. P. Morgan & Co., honorary vice president of the Navy League, and director of Pennsylvania Steel.

10. Pacific Hardware & Steel Co., represented through D. H. Kane, life member of Navy League and formerly director Pacific Hardware & Steel Co.

11. Federal Steel Co., represented through E. H. Gary, contributor to Navy League and president and director of Federal Steel.

12. Illinois Steel Co., represented through E. H. Gary, contributor to Navy League and director of Illinois Steel.

13. Minnesota Steel Co., represented through E. H. Gary, contributor to Navy League and director of Minnesota Steel.

14. Union Steel Co., represented through E. H. Gary, contributor to Navy League and director of Union Steel.

15. American Steel & Wire Co., New Jersey, underlying property of United States Steel Corporation. (See United States Steel.)

#### COPPER.

Robert M. Thompson, founder, honorary vice president 1903-1909, director 1904-1914, chairman executive committee 1913-14, president Navy League 1915: President Orford Copper Co.

Andrew Fletcher, jr., member W. & A. Fletcher Co., life members Navy League: Director Union Copper Co.

Rodolphe Agassiz, honorary vice president Navy League 1915: Director La Salle Copper Co.; director Superior Copper Co.; director Centennial Copper Mining Co.; president and director Isle Royale Copper Co.; vice president and director White Pine Copper Co.

William A. Clark, director Navy League 1914-15: President and director United Verde Copper Co.

Cleveland H. Dodge, life member Navy League: Director Copper Queen Consolidated Mining Co.; vice president and director Detroit Copper Mining Co.; director Moctezuma Copper Co.; vice president Phelps, Dodge & Co.

J. H. Harding, contributor to Navy League: Director Amalgamated Copper Co.

A. C. James, life member Navy League: Vice president and director Burro Mountain Copper Co.; vice president and director Copper Queen Consolidated Mining Co.; vice president and director Moctezuma Copper Co.; director Detroit Copper Mining Co. of Arizona.

E. Meyer, jr., contributor to Navy League: Director Braden Copper Mines Co.; director Inspiration Consolidated Copper Co.; director Utah Copper Co.

#### ZINC, LEAD, AND BRASS.

E. T. Stotesbury, honorary vice president Navy League 1915: Director Riverside Metal Co.

W. J. Matheson, contributor to Navy League: President and director Matheson Lead Co.

A. C. James, life member: Director American Brass Co.

Charles F. Brooker, honorary vice president 1909: President and director American Brass Co.

Rodolphe Agassiz, honorary vice president 1915: Director United Zinc & Chemical Co.

S. S. Palmer, founder: President and director Empire Zinc Co.; treasurer and director Mineral Point Zinc Co.; president and director New Jersey Zinc Co.

H. W. Hayden, contributing member: President and director Manhattan Brass Co.

Myron T. Herrick, honorary vice president 1903-1909, 1915: Director United Zinc & Chemical Co.

Cleveland H. Dodge, life member of Navy League: Director American Brass Co.

#### NICKEL.

Seward Prosser, contributor to Navy League: Director International Nickel Co.

Robert M. Thompson, president Navy League 1915, founder, honorary vice president 1903-1909, director 1904-1914: Chairman board International Nickel Co.

#### THE NINETEEN FOUNDERS.

I have already called attention to the fact that on page 32 of the February, 1904, issue of the Navy League Journal, the "official organ of the Navy League," 19 names are published as being those of the "founders" of the league. The names there listed are as follows: Herbert L. Satterlee, J. W. Miller, J. Pierpont Morgan, Benjamin F. Tracy, Seth Low, Clement A. Griscom, Thomas Lowry, Timothy L. Woodruff, Midvale Steel Co., Anson Phelps Stokes, George Westinghouse, R. S. Sloan, John J. Astor, R. M. Thompson, Charles M. Schwab, John J. McCook, Harry Payne Whitney, George B. Satterlee, S. S. Palmer.

#### CLEMENT A. GRISCOM.

So far I have mentioned the business connections of but 3 of the 19 founders. Of the others, several of whom are now deceased, I will merely call attention to their business connections at the time of their affiliation with the Navy League.

Clement A. Griscom was a fellow director with J. P. Morgan of the United States Steel Corporation, which controlled the armor-making Carnegie Steel Co. He was also a director of the Wm. Cramp Ship & Engine Building Co. and the Electric Boat Co., both of which are war traders.

#### HERBERT L. SATTERLEE, PATRIOT NO. 5.

Herbert L. Satterlee is a brother-in-law of J. P. Morgan.

#### COL. ROBERT M. THOMPSON.

Col. Thompson is chairman of the board of directors of the International Nickel Co. and president of the New York Metal Exchange, as previously stated.

#### HENRY PAYNE WHITNEY.

Harry Payne Whitney, at the time he became one of the 19 founders of the Navy League, was a fellow director of the late J. P. Morgan on the National Bank of Commerce, on the Clearwater & Racquette Lake Railroad, on the Fulton Chain Railway, on the Fulton Navigation Co., on the Racquette Lake Railroad Co., and the Newport Trust Co.

#### BENJAMIN F. TRACY.

Benjamin F. Tracy, another of the 19 founders, was Secretary of the Navy from 1889 to 1893. As Secretary of the Navy Mr. Tracy made contracts with the Carnegie Co. and the Harvey Steel Co., and after his term expired became the attorney for both concerns. Mr. Tracy was a director of the Cornucopia Mines of Oregon and the Tennessee Coal, Iron & Railroad Co. Died in 1915.



## S. S. PALMER.

S. S. Palmer, 55 Wall Street, New York, another of the 19 founders of the Navy League, was interested in many concerns which would profit from "preparedness." He was president and director of the Harvey Steel Co., a recipient of royalties from all armor plate manufactured here and abroad; president and director of the Empire Zinc Co., Mineral Point Zinc Co., New Jersey Zinc Co., Empire Zinc Co. of Colorado, New Jersey Zinc Co. of Pennsylvania, and a director of the Lackawanna Steel Co., which has received enormous orders from the allies, and the Empire Zinc Co. of Missouri.

## JOHN JACOB ASTOR.

John Jacob Astor was a fellow director of J. P. Morgan on the Western Union Telegraph Co. at the time he became one of the founders of the Navy League.

## GEORGE WESTINGHOUSE.

George Westinghouse, another of the founders of the Navy League, was president of 30 corporations with an aggregate capital of \$120,000,000.

The Westinghouse corporations have profited enormously from war orders. Financial America on August 2, 1915, said:

"Actual orders on the books of the Westinghouse Electric & Manufacturing Co. now total between \$65,000,000 and \$70,000,000, and the company also has options on sufficient additional orders to bring the amount up to over \$100,000,000."

## JACOB W. MILLER.

Jacob W. Miller, another of the 19 Navy League founders, was at that time the general manager of the Marion district of the New York, New Haven & Hartford Railroad Co., on the board of directors of which sat J. P. Morgan. Mr. Miller is also president of the Costa Rica Development Co., of which Col. Thompson, president of the Navy League, is a director.

## ROBERT S. SLOAN.

Robert S. Sloan is a trustee of the American Surety Co., 100 Broadway, New York, and has as one of his fellow trustees William Nelson Cromwell, who is also a director of Col. Thompson's International Nickel Co. Mr. Sloan is also president and director of the Fitzgibbons Boiler Co., of Oswego, N. Y.

## ANSON PHELPS STOKES.

Anson Phelps Stokes was a partner in the firm of Phelps, Dodge & Co., merchants with large copper-mining interests. This firm is now one of the largest copper-mining concerns in the United States and is well represented on the Navy League.

The CHAIRMAN. Mr. Hensley, how much time would you like in which to present your resolution?

Mr. HENSLEY. I do not think I would want more than 5 or 10 minutes, but I felt——

The CHAIRMAN. If the members of the committee can stay, I can go and come back. You might go ahead and finish.

Mr. HENSLEY. I do not want but just a little time.

## STATEMENT OF HON. WALTER L. HENSLEY, MEMBER OF CONGRESS FROM MISSOURI.

Mr. HENSLEY. As I understand it, the resolutions pending before your committee are those introduced by Mr. Gardner, of Massachusetts, and myself.

*Resolved*, That the Speaker appoint a select committee of five Members of the House, and that such committee be instructed to inquire into the organization, membership, expenditures, receipts, and sources thereof of the Navy

League, Labor's National Peace Council, the National Security League, the American Defense Society, and any other such organizations as have been active in the propaganda for and against the proposed increases in the Army and Navy of the United States, and to ascertain what, if any, commercial interest, as shareholder or otherwise, members of such organizations and societies have in the manufacture or sale of munitions of war, and for such purposes it shall have power to send for persons and papers and administer oaths, hold its meetings during the session of Congress, and shall have the right to report at any time. The expenses of said inquiry shall be paid out of the contingent fund of the House upon vouchers approved by the chairman of said committee, to be immediately available.

Mr. HENSLEY. Of course, I care little about whose resolution is reported from this committee; it is results that I am interested in, nothing more nor less. If the things can be gone into that Mr. Tavenner mentions in his resolution, and a prompt investigation made that will be of benefit to us all now, I would like very much for his resolution to be reported out of this committee.

However, I will say in this connection that it occurs to me that the Committees on Expenditures in the Navy Department and in the War Department have jurisdiction of a great many of the things mentioned in his resolution. I may be mistaken as to that.

Mr. Chairman and gentlemen of the committee, in the first instance I desire to say that in the last Congress, after I had made statements upon the floor of the House concerning the Navy League, its financial support, and its purposes, the secretary of the Navy League addressed a letter to me suggesting and insisting upon an investigation, declaring that that association was not receiving any money donated to it by anybody connected with or benefited by the munition traffic. I did not pursue the matter any further at that time. But, in order to indicate to the members of the committee to what extent some of these people will go—and before I go into that I want to say here and now I have never heard anyone who knows Mr. Gardner, at any time, on the floor of the House or elsewhere, insinuate in the slightest way that he is actuated by other than the very best motives, nor have I heard any such insinuations concerning my friend Mr. Tavenner. I can not believe that any man who appreciates the importance and the dignity of the position of a Member of Congress will permit himself to be used to further the interests of any private institutions. I truly hope that is true.

Only a few weeks ago one Hudson Maxim was either sent or invited to St. Louis—or, at any rate, he visited the city of St. Louis—and made a speech there for the ostensible purpose of bringing about in the interest of national defense concerted action; and almost simultaneously with his appearance there, or a few days after his appearance in the city of St. Louis and after the mayor of the city had appointed a committee of 100 to take up the matter and go into it and do whatever was necessary to advance the cause of preparedness, there appeared in the newspapers an advertisement of his stocks. Permit me to read here just a few lines from the Times, of November 27, 1915, a large daily of the city of St. Louis [reading]:

The publication of statements by members of Mayor Kiel's committee of 100 on the visit to St. Louis of Hudson Maxim, and the subsequent advertisement of stock in the Maxim Munition Corporation, organized to take over Mr. Maxim's inventions of munitions of war, continued Saturday to create comment on the part of members of the committee. Mayor Kiel issued a statement in which he said he did not believe munitions manufacturers had put anything over on the National Security League.



Mayor Kiel appointed the committee at the request of Horace D. Johns, who is listed in the directory as associate manager of the National Surety Co., with offices in the Pierce Building. Mr. Johns is secretary of the National Security League's branch in St. Louis.

Edward Hidden, president of the Business Men's League, said that Mr. Maxim had been invited last Wednesday to address the members of the league at their weekly luncheon just as other noted men have been, and his appearance did not commit the league one way or the other.

When he read the advertisement of the organization of the Maxim Munitions Corporation his comment was brief. "That is pretty raw, isn't it?" he said.

Rev. Dr. W. C. Bitting, pastor of the Second Baptist Church, also refused appointment to the mayor's committee of 100 it became known Saturday. Another was Frederick W. Lehmann and a third was Attorney Henry S. Caulfield, jr.

Now, then, we see there the effect that this is having.

Mr. FOSTER. Let me see that paper.

Mr. HENSLEY. It is quite a long article. I can not read all of it [handing paper to Mr. Foster].

The St. Louis Times has another article upon the same proposition. These people are asserting that they are going into the district of every Member of Congress who does not vote for the proposed increase. It occurs to me that it is time that the country is finding out who are the people who are behind this movement, and I think there should be some method employed to differentiate, to separate all men who stand with Mr. Gardner—and I say that sincerely and candidly—who are honestly in favor of increases and believe that that is vital to the perpetuity of this country to prevent invasion from those fellows who are actuated wholly and solely by the desire to make money out of this increase.

Here we find Mr. Maxim. The National Security League repudiated him and said he was not a member of that organization and "we are not responsible for his appearance in St. Louis and the speech he made there." We find that he comes back and insists that the man connected with the Security League who denounced him is in the employ of men who are engaged in the munition business. So there you are. Let me read what he says on that proposition—just a portion of it—I can not read it all because I have not the time. I read from the editorial page of the St. Louis Republic, under date of Sunday, January 16, 1916 (reading):

I understand that Mr. Menken himself is counsel for one of the largest dealers in munitions of war in America, and has been counsel for him for years. Consequently Mr. Menken can hardly make good his claims that he has received no support from manufacturers of war munitions.

Mr. CHIPERFIELD. Is that the one the Southern Transaction Co. sought to promote?

Mr. HENSLEY. This is Maxim. Maxim came out a few days ago in the St. Louis paper, and this is also a letter signed by him in which he declared that no one was advancing money to him; that he is not in the employ of any of these associations; that he had tried to get other folks engaged in the munition business to contribute and to pay money to carry on this propaganda, but that they would not do so, but that he was one of the "simon-pure" patriots; that he wanted to prevent war, and these other fellows, believing if they would wait until the country actually got into war would get greater profits out of their business, were refraining from pushing this propaganda, but that Maxim wanted something now. He wants to



sell to the Government; and you members of the committee will recall that only a few days ago you received a letter from a brokerage concern in which they said—I have forgotten whether it is Maxim's inventions or not, but some of those concerns—and they insisted in that brokerage letter they had contracts already which would represent at least 200 per cent upon the stock.

Mr. BENNET. I guess only those Members of Congress who have money received that letter.

Mr. HENSLEY. Well, I have heard several Members say they have not received it, but upon careful investigation they found they had thrown it aside, as Members often do with such things. But I presume every Member of Congress received the letter. I have received it.

I should say here that there are a great body of men in this country who honestly believe that we are unprepared; there is a great body of people in this country who are confused with reference to what we have to-day. Many of our people think that we have not a battleship worth mentioning. They don't really know that we have some of the best fighting craft afloat to-day.

I do not make the charge that the money expended by the Navy Department has been wasted. If I wanted to make a deadly charge against that department, that is the sort of a charge I would make. I do say, however, that the money has not been employed to give the American people a dollar's worth in every respect, and in some instances I think there has been waste. But we have expended hundreds of millions of dollars more than Germany in the last 10 years, and for that great amount of money we have something to represent it.

Mr. FOSTER. You think, then, we have a good Navy now, do you, Mr. Hensley?

Mr. HENSLEY. Yes; I do.

Mr. FOSTER. An efficient Navy?

Mr. HENSLEY. I think we have an efficient Navy in every respect. I think our Navy is the second greatest Navy afloat. In support of my opinion I quote Admiral Fletcher and Capt. Winterhalter during hearings before Naval Affairs Committee last year, and men of that class and type—men who know whereof they speak.

The CHAIRMAN. Mr. Hensley, you are a member of the Committee on Naval Affairs, and from the testimony you have heard there you think that our Navy is efficient and sufficient?

Mr. HENSLEY. Having studied the question closely and critically I declare that the appropriations are needed for auxiliaries for our Navy to make each unit of our Navy a properly balanced fighting force. But, gentlemen of this committee, it has seemed to me, from the time I have been on the committee, that the effort put forth all the time has been for increases in the units—additional battleships—and these other things have been lost sight of.

Mr. BENNET. We ought to have more cruisers; ought we not?

Mr. HENSLEY. Yes, sir; I think that. I do not know whether we should abandon our heavy boats and sacrifice armor for speed; I do not know as to that. The military men themselves disagree on that proposition; they are not in accord.

The CHAIRMAN. With the permission of the committee I will ask you this: Will you state in your remarks, if you do not care to go into it now, just what ought to be added to the Navy; just what sort



of a program you think is necessary? I do not mean in detail, but in general terms what you think should be done to make the Navy adequate.

Mr. HENSLEY. No doubt myself and others will give the House the benefit of our information along this line in the form of a minority report or otherwise when the present hearings on the bill are concluded and the bill is reported to the House.

The CHAIRMAN. I thought you had your figures prepared, and I have great regard for your opinion about these things, and personally I want your views, and to have it in this record.

Mr. HENSLEY. I would prefer to wait until our present hearings are concluded before expressing myself fully on the subject.

The CHAIRMAN. It would be very valuable to go in this hearing.

Mr. HENSLEY. I insist that each Member of this House owes it not only to himself and his family, but to the people and the country at large to show that none of these influences have touched him, and I am in accord with the proposition made by Mr. Gardner, that an investigating committee should call before it any Member of the House or the Senate and inquire what relation he bears to this movement, either on one side or the other.

Last year, during the last session of Congress, the secretary of the Navy League gave out a statement to the effect that at a banquet given by the Navy League—and they have heretofore been giving some very rare and rich ones, attended by our officers, all of them—he had a conversation with Mr. Hensley, of Missouri, and that Mr. Hensley had said to him that he would be entirely willing to go ahead and increase the Navy, to vote the appropriations for these increases, if it were not for the fact that he (Hensley) needed these appropriations for his own district for internal developments.

Mr. BENNET. Who made that statement?

Mr. HENSLEY. Dadmun, secretary of the Navy League.

Mr. BENNET. Secretary of the Navy League?

Mr. HENSLEY. Yes, sir. I never attended a Navy League banquet in my life, and in my present state of mind I think I can say that I never shall.

I have told those people. "If you have anything important that you want to discuss with me to come to my office and let us go over it. I care nothing about your smokers and banquets, where you are sandwiched in between officers of the Army and Navy and other interested persons."

I think we owe it to ourselves and to the country to find out how many people are honestly in favor of increases, so that we can respond, if we do find an honest sentiment in this country, as against listening to that crowd of fellows who come with "dirty hands."

You can not tell me that there is a class of fellows in this country engaged in the munition business that are actuated from wholly patriotic motives in disseminating sentiment for increases. If you will cut out the profits they are making, do you mean to tell me that they would continue in the munition traffic? Not a bit of it. We owe it to the people to let them know the condition our Nation is in, to let them know our state of preparedness to-day; and how we are able to repel any invading forces. Then let them, in addition to that, know to a certainty by our pointing out in the hearings and the

report on the hearings who the men are who have been engaged in this propaganda.

Only last summer you recall Mr. J. P. Morgan, at the very inception—not, however, before the gentleman from Massachusetts urged these things, because he began some two Congresses ago—but early last spring he and his compatriots gathered around their banquet board when thousands of dollars were raised in a few minutes time; and it was this meeting which the Associated Press said would bring about a \$500,000,000 appropriation by this Congress.

The CHAIRMAN. What date was that?

Mr. HENSLEY. That was last summer, sir.

The CHAIRMAN. Have you that Associated Press report?

Mr. HENSLEY. I fear I have not, but a gentleman told me, in my office, that he was present at that meeting, and since that time he has been in the employ of some of those leagues, going over the country and making speeches.

The CHAIRMAN. I think it would be interesting to insert that in the record.

Mr. HENSLEY. Yes; I may be able to get that. But that was early last spring, and I am not so sure that I kept it, but I could go to the Congressional Library and find it.

Mr. FOSTER. You have his name?

Mr. HENSLEY. Oh, the party who told me that in my office?

Mr. FOSTER. Yes.

Mr. HENSLEY. Oh, yes; I know him very well. He has been in the employ of the Navy League, and is now employed by the American Defense Society.

Mr. CHIPERFIELD. Can you give his name?

Mr. HENSLEY. No; I would not like to, but I can see him, and I think he will give me permission to use his name.

I never got a dollar out of this business. I am a member of the Missouri Peace Society, contributing \$1 or \$2 a year.

Mr. BENNET. Will the gentleman answer a question or two, if he is through with his statement?

Mr. HENSLEY. I believe I am through. I wish you gentlemen could read these entire articles showing the stir in St. Louis by reason of Maxim's appearance and his speech, and simultaneously with it this advertisement that appeared in the paper about selling his stock. It seems to me that these matters are not trifling things. We can not waive them aside. We owe a duty to ourselves and our country to go into these things to find out to a certainty where we stand and who the fellows are that are promoting it.

Mr. BENNET. This great committee of which you are a member, and in which you have confidence, I do not suppose is being swayed on the one hand or the other?

Mr. HENSLEY. I hope not. I do not believe it is.

The fact of the business is, one of the oldest men on that committee, one of the grandest characters in Congress, who heretofore at all times voted for increases, seems to be leaning the other way.

Mr. BENNET. No matter which way he is leaning he is being influenced by the testimony before the committee.

Mr. HENSLEY. Oh, yes.

Mr. BENNET. And in due time your committee is going to report to the House, I presume, a program one way or the other, based on



the testimony and your own consciences and oaths of office, are you not?

Mr. HENSLEY. Yes; I think that is absolutely true.

Mr. BENNET. Do you not think that the House will be swayed and moved more by the report of you gentlemen, in whom they have confidence——

Mr. HENSLEY. That sounds entirely all right.

Mr. LENROOT. A unanimous report?

Mr. BENNET. Anyway, they will report the testimony.

Mr. HENSLEY. You gentlemen know how jealous fellows are of their political standing, and how they are ready to grasp at straws sometimes in order to succeed themselves, and threats are being made by these people that they are going into the district of each opponent of this program and campaign against him.

Mr. BENNET. I am frank to say—this is my fourth Congress—and I think any man in Congress that would be swayed in his duty by a threat ought to get out to-morrow.

Mr. HENSLEY. I agree with you.

Mr. CHIPERFIELD. You do not contend it will cut very much figure in your district?

Mr. HENSLEY. I do not think it will.

Mr. CHIPERFIELD. The Junior Order of Mechanics makes its threats that they will come into my district, but it has not swayed me.

Mr. HENSLEY. Those things are not pleasing to anyone, and why not find out who these people are when they appear, whether they are being paid, and the source, and who the fellows are who are profiting by whatever impressions these representatives create in your district and mine?

Mr. BENNET. Do you think we could find anything more on that side than Mr. Tavenner has put into the record? Have you heard his speech?

Mr. HENSLEY. I heard it and read it.

Mr. BENNET. Both?

Mr. HENSLEY. Yes, sir.

Mr. BENNET. We must assume the fellow Member of the House told the truth.

Mr. CHIPERFIELD. That is the presumption.

Mr. BENNET. The presumption. He has given a list in detail of these men. How could we possibly hope to find out anything more from that viewpoint than we have?

Mr. HENSLEY. A committee would have greater opportunities, by reason of its powers, for gathering information; and besides this the question is of such vital importance to the people at large that we owe it to them to exhaust every means to inform them of the real facts. If it is found that there is nothing else to be found, the committee still will have rendered a great service.

Mr. CHIPERFIELD. But even if all that were true, and even if every assertion Mr. Tavenner has made is true, and the statements made in the press are true, should that one way or the other sway the duty that this House owes to the country upon the question of preparedness—would it accomplish anything, or would it get anywhere?

Mr. HENSLEY. If we need one battleship to defend this country, to protect the rights of our people on the water or land, or an increase



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in the Army, or we really need 10 battleships, is needed in the Army, I will stand for it absolutely, but I insist that we do not need it, when you come to that part of it; but Mr. Gardner and I do not agree upon that.

Mr. BENNET. You base your contention on the evidence that is being gathered before your committee, do you not?

Mr. HENSLEY. There are a whole lot of people in this country—it reaches up into a large percentage—who have not a correct idea with respect to our defenses now, and they are being excited, everything is being said that can possibly be said to stir those people up and make them believe we should go in for a tremendous increase of both our Army and Navy.

Mr. BENNET. Is not our duty as Members——

Mr. HENSLEY. These fellows are insisting all over the country, and are down here at the Willard this week, and if you read the speeches there you can not help but get this conclusion from their speeches, that they are the “true patriots,” and that every Member who does not stand with them and is not ready to vote every dollar out of the Treasury for increases in the Navy and the Army is not a patriot and has not the right conception of his duty. I challenge that. I say those fellows, lots of them, do not believe that sort of thing, and if we get behind them and find out what is actuating them, the country would say, “Pshaw, we had better take things easy.”

Mr. BENNET. Would you say the same thing about Miss Jane Addams?

Mr. HENSLEY. Any of those people who are getting up and selling out at so much per.

Mr. BENNET. Is it not our duty as Members of Congress, placing our duty on the high plane where it ought to be, to decide these questions as to the needs of the country, and is not the best place for us to go to find out what the needs are, the testimony that is being taken systematically and coherently before your committee and the Committee on Military Affairs?

Mr. HENSLEY. That is true, for our guidance as Members of the House, but the people of the Nation are entitled to the same consideration in this matter. We do not want the propaganda carried along this line or along any other lines, for that matter, that have corrupt purposes behind them.

Mr. CHIFFERFIELD. But men who have financial gains to make will always attach themselves to movements.

The CHAIRMAN. Let me ask you a question. Would you think a man who owned cotton lands who should grow cotton for the manufacture of projectiles that he was suspicious?

Mr. HENSLEY. Not necessarily so. I have tried a great many damage suits, and often in presenting a case against corporations for damages I would have been willing to have had certain officers of the corporation who were affected the most as members of the jury. But you could not afford to do that. If you would put them on the jury they would do only what was just and right in every particular, and yet on account of the appearances—the effect of it over the country—you could not do that at all. That is bad argument.

The CHAIRMAN. The committee will now stand adjourned to meet Friday morning at 11 o'clock.

(Thereupon, at 12.30 o'clock p. m., the committee stood adjourned to meet Friday, January 21, 1916, at 11 o'clock a. m.)